

STATE OF WISCONSIN
Assembly Journal
Eighty-Eighth Regular Session

10:00 A.M.

WEDNESDAY, November 18, 1987

The assembly met.

Speaker Loftus in the chair.

The prayer was offered by Representative Bell.

Representative Hauke led the membership in reciting the pledge of allegiance to the flag of the United States of America.

The roll was taken.

The result follows:

Present — Antaramian, Barca, Barrett, Becker, Bell, Berndt, Black, Bock, Bolle, Boyle, Bradley, Brancel, Brandemuehl, Byers, Carpenter, Coggs, M., Coggs, S., Coleman, Deininger, Farrow, Fergus, Fortis, Foti, Gard, Goetsch, Grobschmidt, Gronemus, Gruszynski, Hamilton, Hasenohrl, Hauke, Holperin, Holschbach, Hubler, Huelsman, Johnsrud, Krug, Krusick, Kunicki, Ladwig, Larson, Lepak, Margaret Lewis, Mark Lewis, Linton, McEssy, Magnuson, Medinger, Merkt, Musser, Nelsen, Neubauer, Notestein, Ott, Ourada, Panzer, Paulson, Porter, Potter, Prosser, Radtke, Roberts, Robinson, Robson, Rosenzweig, Rutkowski, Schmidt, Schneider, Schneiders, Schober, Schultz, Shoemaker, Swoboda, Tesmer, Thompson, Travis, Tregoning, Turba, Underheim, Vanderperren, Van Dreel, Van Gorden, Vergeront, Volk, Walling, Welch, Williams, Wimmer, Wineke, Wood, York, Young, Zweck and Speaker Loftus — 94.

Absent — None.

Absent with leave — Clarenbach, Looby, Seery and Zeuske — 4.

Vacancies — 6th Assembly District — 1.

AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 505** offered by committee on Judiciary.

Assembly substitute amendment 1 to **Assembly Bill 592** offered by Representatives Black and Barrett.

EXTRAORDINARY SESSION

In accordance with Joint Rule 81 (2), it was moved that the Legislature meet in Extraordinary Session commencing at 10:00 A.M. on Wednesday, November 18, 1987, for the purpose of taking action on the following legislative business:

Veto of **Assembly Bill 462**

Veto of **Assembly Bill 677**

Adopted 3-2 by committee on Senate Organization

Adopted 4-3 by committee on Assembly Organization

ADMINISTRATIVE RULES

Read and referred:

Assembly Clearinghouse Rule 86-213

Relating to the designation of additional highways to which ss. 348.07 (2) (f), (fm), (gm) and (gr) and 348.08 (1) (e), stats., apply to allow the operation of specified vehicles and combinations within certain length limitations.

Submitted by Department of Transportation.

To committee on Highways.

Referred on November 13, 1987.

Assembly Clearinghouse Rule 87-120

Relating to the elderly and handicapped transportation assistance program for private nonprofit organizations.

Submitted by Department of Transportation.

To committee on Transportation.

Referred on November 13, 1987.

Assembly Clearinghouse Rule 87-135

Relating to the designation of additional highways on which combination vehicles greater than 60 feet in overall length may operate.

Submitted by Department of Transportation.

To committee on Highways.

Referred on November 13, 1987.

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison

To the Honorable, the Assembly:

The following bills, originating in the assembly, have been approved, signed and deposited in the office of the Secretary of State:

Assembly Bill	Act No.	Date Signed
118	67	November 13, 1987
401	68	November 13, 1987
666	69	November 13, 1987
678	70	November 13, 1987

72-----	71-----	November 16, 1987
95-----	72-----	November 16, 1987
268-----	73-----	November 16, 1987
276-----	74-----	November 16, 1987
469-----	75-----	November 16, 1987
15-----	77-----	November 18, 1987
65-----	78-----	November 18, 1987
280-----	79-----	November 18, 1987
362-----	80-----	November 18, 1987
450-----	81-----	November 18, 1987
470-----	82-----	November 18, 1987
711-----	83-----	November 18, 1987

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR'S VETO MESSAGE

November 16, 1987

To the Honorable Members of the Assembly:

I am vetoing **Assembly Bill 462** in its entirety. This bill would establish various benefit improvements valued at approximately \$44 million annually for participants in the Wisconsin Retirement System (WRS). I cannot support a benefit improvement of this magnitude for WRS participants without adequate safeguards and accompanying benefits for the taxpaying citizens who pay the salaries and benefits of public employes and fund the WRS.

During my campaign for the governorship, I stressed that any retirement benefit increase must be actuarially sound and internally funded. Given the current financial market conditions, these objectives are not met. During my campaign for Governor and since my election, I have also emphasized repeatedly the need to control state and local taxes by limiting increases in government expenditures. Necessary restraints on spending cannot occur without some restraints on public employe compensation increases.

Recent developments in the financial markets force a reconsideration of the bill's internal funding devices. The proposed distribution of \$600 million from the transaction amortization account approximates the entire amount of the latest estimated difference between the market and book value of the fixed retirement fund assets. The bill also makes temporary changes to WRS assumptions regarding investment performance. The volatility which characterizes financial markets questions the advisability of incurring major new liabilities based on speculation regarding trust fund earnings.

Existing WRS benefits provide public employes with retirement annuities which are at least competitive with levels found in other public systems and the private sector. Most importantly, these benefits are soundly funded. I will not break my compact with the citizens of this state by supporting a benefit improvement which

creates additional financial risks for state and local governments.

The existing mediation-arbitration law has fostered an imbalance within the public sector collective bargaining environment, especially for schools. During the last several years, this imbalance has resulted in wage increases in excess of the rate of inflation and in excess of compensation improvements received by private sector workers. Despite my efforts, this imbalance remains part of the municipal collective bargaining environment.

Some supporters of AB 462 have argued that provisions permitting early retirement will generate property tax relief through salary savings. Experience indicates such savings may be lost at the bargaining table unless the mediation/arbitration law is modified. In any event, early retirement is at best a temporary solution to the problem of property tax relief.

This bill establishes permanent benefit improvements which will create ongoing employer obligations. Although an amendment requires that contribution rate increases resulting from benefit improvements which are greater than .2% over the 1988 rate be paid by employe contributions, any such employe contributions could be subject to employer payment by July 1, 1990. Therefore, necessary employe contribution rate increases could become property tax liabilities in less than three years.

Because of AB 462's many shortcomings, I am vetoing it in its entirety.

Respectfully submitted,
TOMMY G. THOMPSON
Governor

GOVERNOR'S VETO MESSAGE

November 16, 1987

To the Honorable Members of the Assembly:

AB 677 makes substantial changes in eligibility for the Homestead and Farmland Tax Credits in two steps. The Department of Revenue estimates the potential biennial cost of these extensive changes in both credits at \$62.5 million: \$46.7 million for Homestead and \$15.8 million for Farmland. I am vetoing this bill in its entirety because it is simply unaffordable.

Using current revenue estimates and spending assumptions, the general fund balance at the end of FY 89 is estimated at less than \$1 million above the required statutory balance. This estimate does not include any increases in the state share of school costs for FY 89. Nor does it take into account any potential reductions in projected revenues due to changes in national economic conditions. Under these circumstances, I simply cannot justify signing a piece of legislation this costly.

I am 100% committed to property tax relief. My veto of AB 677 should not be interpreted as a lack of such

commitment. If anything, it should be interpreted as an indicator of my commitment to real property tax relief.

Property tax relief means relief for all property taxpayers. Property tax relief means holding the line on local spending. Homestead and Farmland relief accomplishes neither of these objectives.

I intend to offer a comprehensive package for property tax relief in January. That relief will show up directly on taxpayers' property tax bills. Any increase in state spending necessary to reduce local property taxes will be coupled with limitations on local spending and levies to ensure that real property tax relief occurs.

It will not be easy to find new state revenues to fund such an effort. It is counterproductive to commit a large amount of money to limited relief programs now when that would make finding the needed funds for real property tax relief for future years more difficult.

However, I am well aware of the desire of members of the Legislature for some increases in the Homestead and Farmland Credits. I am therefore calling a special session to enact a more limited measure than AB 677.

The bill I am proposing increases formula benefits for FY 88 but does not include any second-step changes. It will cost \$16 million for FY 88. I will review the FY 89 benefits for both of these programs in my next budget in conjunction with my overall property tax relief proposal and in light of updated revenue estimates and my spending recommendations for 1988-89.

My proposal includes the same first-year provisions as AB 677 for the Farmland Credit. DOR estimates the FY 88 cost of these provisions at \$5.8 million.

For Homestead, I am proposing the AB 677 first-step increases in the maximum eligible tax and household income levels but an increase in the threshold income to only \$7,800. This will help contain the costs of the Homestead changes to \$10.2 million for FY 88.

No one should be under the impression that either this proposal or AB 677 offers massive property tax relief. Both would keep the total number of claimants for Homestead about the same for FY 88 as in FY 87. Both would add 300 to 700 new claimants to the Farmland program over the biennium.

In offering this proposal, I am responding to the wishes of legislators for some immediate Homestead and Farmland relief expansion but on a more modest scale than AB 677. I do not believe it would be prudent to approve greater expansion of these programs than I am proposing in my bill.

Respectfully submitted,
TOMMY G. THOMPSON
Governor

COMMUNICATIONS

State of Wisconsin
Department of State
Madison

To Whom It May Concern:

Dear Sir: Acts, joint resolutions and resolutions, deposited in this office, have been numbered and published as follows:

Bill or Res. No.	Act No.	Publication date
Assembly Jt Res 41	-----29	----- Not published
Assembly Jt Res 46	-----30	----- Not published
Assembly Jt Res 64	-----31	----- Not published
Assembly Jt Res 47	-----35	----- Not published
Assembly Jt Res 55	-----36	----- Not published
Assembly Jt Res 61	-----37	----- Not published
Assembly Jt Res 67	-----38	----- Not published
Assembly Jt Res 72	-----39	----- Not published
Assembly Jt Res 73	-----40	----- Not published

DOUGLAS La FOLLETTE
Secretary of State

LEAVES OF ABSENCE

Representative Hauke asked unanimous consent for a leave of absence for today's session for Representatives Clarenbach, Looby and Seery. Granted.

Representative Tregoning asked unanimous consent for a leave of absence for today's session for Representative Zeuske. Granted.

CALENDAR OF WEDNESDAY,
NOVEMBER 18

Assembly Bill 677

Relating to the homestead credit formula and to the farmland preservation credit.

The question was: Shall Assembly Bill 677 pass notwithstanding the objections of the governor?

The roll was taken.

The result follows:

Ayes — Antaramian, Barca, Barrett, Becker, Bell, Black, Bock, Bolle, Boyle, Byers, Carpenter, Coggs, M., Coggs, S., Fergus, Fortis, Goetsch, Grobschmidt, Gronemus, Gruszynski, Hamilton, Hasenohrl, Hauke, Holperin, Holschbach, Hubler, Krug, Krusick, Kunicki, Mark Lewis, Linton, Magnuson, Medinger, Neubauer, Notestein, Potter, Radtke, Roberts, Robinson, Robson, Rutkowski, Schneider, Shoemaker, Swoboda, Tesmer, Thompson, Travis, Vanderperren, Van Dreel, Volk, Williams, Wineke, Wood, Young, Zweck and Speaker Loftus — 55.

Noes — Berndt, Bradley, Brancel, Brandemuehl, Coleman, Deininger, Farrow, Foti, Gard, Huelsman, Johnsrud, Ladwig, Larson, Lepak, Margaret Lewis, McEssy, Merkt, Musser, Nelsen, Ott, Ourada, Panzer, Paulson, Porter, Prosser, Rosenzweig, Schmidt, Schneiders, Schober, Schultz, Tregoning, Turba, Underheim, Van Gorden, Vergeront, Walling, Welch, Wimmer and York — 39.

Absent or not voting — Clarenbach, Looby, Seery and Zeuske — 4.

Motion failed.

Representative Thompson asked unanimous consent that the assembly stand recessed for fifteen minutes. Granted.

The assembly stood recessed.

11:40 A.M.

RECESS

12:30 P.M.

The assembly reconvened.

Representative Hauke asked unanimous consent for a quorum call. Granted.

A quorum was present.

Assembly Bill 462

Relating to the Wisconsin retirement system, allowing retired public employes to purchase state group health insurance coverage, fixed retirement investment trusts, transferring funds and making an appropriation.

The question was: Shall **Assembly Bill 462** pass notwithstanding the objections of the governor?

The roll was taken.

The result follows:

Ayes — Antaramian, Barca, Barrett, Becker, Bell, Berndt, Black, Bock, Bolle, Boyle, Byers, Carpenter, Coggs, M., Coggs, S., Fergus, Fortis, Foti, Grobschmidt, Gronemus, Gruszynski, Hamilton, Hasenohrl, Hauke, Holperin, Holschbach, Hubler, Krusick, Kunicki, Larson, Lepak, Mark Lewis, Linton, McEssy, Magnuson, Medinger, Musser, Neubauer, Notestein, Ourada, Paulson, Potter, Roberts, Robinson, Robson, Rutkowski, Schneider, Schultz, Shoemaker, Swoboda, Tesmer, Thompson, Travis, Vanderperren, Van Dreel, Volk, Williams, Wineke, Wood, Young, Zweck and Speaker Loftus — 61.

Noes — Bradley, Brancel, Brandemuehl, Coleman, Deininger, Farrow, Gard, Goetsch, Huelsman, Johnsrud, Krug, Ladwig, Margaret Lewis, Merkt, Nelsen, Ott, Panzer, Porter, Prosser, Radtke,

Rosenzweig, Schmidt, Schneiders, Schober, Tregoning, Turba, Underheim, Van Gorden, Vergeront, Walling, Welch, Wimmer and York — 33.

Absent or not voting — Clarenbach, Looby, Seery and Zeuske — 4.

Motion failed.

Representative Holperin asked unanimous consent that the assembly adjourn in honor of Representative M. Coggs. Granted.

Representative McEssy asked unanimous consent that the assembly adjourn in honor of the Fond du Lac high school football team on the occasion of winning a state football championship. Granted.

Representative Vanderperren asked unanimous consent that the assembly adjourn in honor of the birthday of his wife. Granted.

Representative Bolle asked unanimous consent that the assembly adjourn in honor of his 41st wedding anniversary. Granted.

Representative Linton asked unanimous consent that the assembly adjourn in honor of the Hayward high school football team on the occasion of winning a state football championship. Granted.

Representative Berndt asked unanimous consent that the assembly adjourn in honor of his wife, Amanda, and the birth of his son, David Fredrick, on November 10, 1987. Granted.

Representative Neubauer asked unanimous consent that the assembly adjourn in honor of Tia Nelsen, formerly of his staff, who has become Legislative Representative in the Governmental Affairs office of the Nature Conservancy in Washington, D.C. Granted.

REFERENCE BUREAU CORRECTIONS

Senate substitute amendment 1 to **Senate Bill 235**

In engrossing, the following corrections were made:
Page 10, line 7: on lines 7 and 8, substitute "(f)" for "(e)".

Representative Hauke moved that the assembly stand adjourned pursuant to **Assembly Joint Resolution 1**.

The question was: Shall the assembly stand adjourned?

Motion carried.

The assembly stood adjourned.

12:55 P.M.